



## School Finance Advisory Committee

Fiscal Year 2004 - 2005

### Minutes

The School Finance Advisory Committee (SFAC) held the first FY05 quarterly meeting on Wednesday, October 27, 2004 at the East Valley Institution of Technology, 1601 W Main Street, Mesa, AZ 85201.

Members Present		Members Absent
Mr. John Arnold	Dr. Margaret Schrader	Dr. Chuck Essigs
Mrs. Patricia Beatty	Ms. Diane Smith	Ms. Christy Farley
Mr. Daniel Bigler	Ms. Brenda R. Thomas	Ms. Mary Gifford
Mr. Paul Christensen	Mr. Kevin C. Uden	Ms. AnnMarie Short
Mr. Richard Conrad	Mr. John Ushman	
Dr. Sally Downey	Dr. L. Dean Webb	
Ms. Karen L. Havird	Tacy Ashby	
Ms. Kristen Jordison	Ruth Solomon	
Mr. Jay D. Kaprosy	Art Harding	
Ms. Rita Leyva	Vicki Salazar	
Mr. Bill Maas	Philip G. Williams	
Mr. Kevin J. McCarthy	Lyle Friesen	
Mr. Quincy Natay	Candace Cooley	
Mrs. Karla Phillips	Raphaela A. Conner	
Mr. Kevin Price		
Ms. Linda Proctor-Downing		

Meeting called to order at 1:30 p.m.

#### Opening Remarks

- Philip Williams made opening remarks on behalf of Superintendent Horne, who was unable to attend due to schedule conflicts.
- Thank you to Sally Downey and East Valley Institute of Technology for hosting the October 27, 2004 SFAC meeting.
- School Finance: Supporting the Superintendent's prior and current year goals. Last year: Customer service and customer satisfaction. School Finance will (continue) to create customer satisfaction through assisting with compliance. This year: better schools, better teacher's and better curriculum. School Finance wants to better understand the business and operating requirements in the LEA's so we can make better decisions.
- School Finance outreach program currently has 3 cornerstones: 1) School Finance Advisory Committee; 2) Compliance Workshops; 3) Trend Analyses and Projection.
- Brief introduction to key ADE staff, SFAC co-chairs and project coordinator.

#### Welcome

- Committee members were welcomed and thanked for attending.
- Discussed purpose, structure and flexibility of the SFAC.
- Discussed expected conduct during each of the SFAC meetings.

#### Introductions

- SFAC member introductions.

## **Overview of Meeting Literature/Logistics**

- Brief overview of meeting literature and logistics.

## **Agenda Items Discussion/Review**

### **First Day Absences** (Discussed from 1:40-2:10 p.m.)

Issue: The Arizona Department of Education (ADE) currently disallows membership for students with first day absences.

#### Points Addressed/Presented:

- Title 15 states that ADM is calculated based on enrollment and that enrollment begins with registration. However, the Instruction for Required Reports (IFRR) and the Uniform System of Financial Records (USFR) Appendix 5 states that a person had to be physically present before the first day before they could be counted for attendance.
- It is the opinion/belief of one SFAC member that the decision to disallow first day absences was put into practice years ago, when we were in a paper system and there was no real way to track duplicate enrollments. However, SAIS now generates a report that can assist in tracking dual enrollments: the SDADMS-80 report. Currently, ADE gives the ADM to the entity with the most recent enrollment.
- Due to many extenuating circumstances, the inability to count a student that doesn't attend the first day results in a penalty to school districts/charters that have incurred costs or expended a significant amount of work in preparation of the new school year. This includes but is not limited to:
  - Pre-registration of students;
  - Determination of how many teachers will be needed;
  - Holding rooms for registered students; and
  - Purchasing of supplies (brought in over the Summer)
- From the principal's viewpoint, this situation can create some internal disciplinary problems. For example, if a student attends the first day then misses the following [xx] days due to vacation, there is no penalty. However, if another student is on vacation and missed the first day, there is a penalty. This example is a common scenario up until Labor Day. Another example mentioned was the National Boy Scout Jamboree that was scheduled the first week of school. It would have been unfair to withdraw those students (and parents) that have been with the district for 10-11 years).
- Other discussion points mentioned/addressed included
  - Recommendation that the 100<sup>th</sup> day count begin after a period of 10-15 days have elapsed. For example count from day 11-110.
  - Parents enrolling kindergartners for half day at a public school and half day at a charter school.
  - Based on prior year funding for districts and current year funding for charters, ADE is only paying for one year per student; regardless of where they attend.
  - In districts, which are based on prior year funding, kindergartners are not funded their first year.
  - How much of an impact does it have on funding if an entity is penalized for first day absences?
  - Some parents school shop and enroll their children in multiple schools.
  - Before any ADE policy changes are made, they will have recommendations reviewed by the Auditor General's office.
- Subcommittee, chaired by Kevin Price, formed to review this issue further and make recommendations at the December 2004 meeting.

### **Unexcused vs. Excused Absences** (Discussed from 2:10 – 2:25 p.m.)

Issue: Unexcused vs. Excused Absences – The need for broader definitions.

#### Points Addressed/Presented:

- Unexcused/excused absences need broader definitions. There is also a need to define the importance of collecting this information. Title 15-901 is where this issue is addressed and that gets into a withdrawal issue. The state, school districts and judicial courts all report and/or use this information for different purposes.

- For state purposes excused absences are used to calculate ADA versus ADM when there is a high absence rate in a school district or charter, and is based on four categories:
  1. Concerted refusal to attend
  2. Illness
  3. Threat
  4. Adverse weather
- For district/charter purposes, what is defined as unexcused by the state may be considered excused by the district/charter. For example, the disciplinary action of student suspensions.
- It is the opinion of one SFAC member that what the state really means by unexcused absence is an unverified absence. That is, all resources to make contact with the student and/or parent have been exhausted.
- Other discussion points mentioned/addressed included
  - Because (excessive) unexcused absences (as currently defined by the state) often tie directly to student withdrawals, it may negatively impact financial resources. It is the opinion of one SFAC member that the need for broader, or perhaps a new definition is necessary because the overall goal should be to do a better job of tracking students in an effort to retain accurate student history.
  - An entity is still providing educational services to suspended students because they are providing education through emails to teachers; parents are picking up the homework; students are coming in after school is over for the day; teachers are staying late giving them tests, etc.
  - What is the effectiveness of a suspension if an entity is continuing to provide education services when the student is off campus?
- Subcommittee, chaired by Kevin Price, formed to review this issue further and make recommendations at the December 2004 meeting.

### **Passing Time** (Discussed from 2:25 – 2:40 p.m.)

Issue: Passing Time – Should this time be considered part of the instructional time over the course of the year?

#### Points Addressed/Presented:

- Since passing time is not specifically referenced statute, ADE defines passing time as the time that is allowed for students to go from one classroom to another.
- In Title 15 there are two areas that are not counted as part of the instructional day: lunch and recess. It does not mention the time in between classes.
- Recess and lunch applies for elementary; lunch applies only to junior high and senior highs.
- Is this primarily a middle school issue?
- Eight graders have to attend school more hours a day than anybody else in the state. They are the ones that have the most impact regarding passing periods.
- There is an audit requirement to check for passing time within the USFR questionnaire.
- Further complications result when schools are setting up their student management systems and they're setting up number of minutes that students are attending. It's more than just overall attendance and number of days and how many minutes you were required to have been enrolled. It really varies across how schools have set up their periods and passing time; at least sufficiently.
- What is considered reasonable when setting passing time? Will districts/charters make their own determination when setting passing time or would the LEA's like ADE to issue guidelines?
- With so many independent auditors, a definitive decision as to whether or not passing time is included in the instructional day would be very beneficial to LEA's and various state agencies.
- Another consideration is the length of class periods. For example, if a class period is 120 minutes long, a 15 minutes break for passing time is a reasonable because you've just done coursework for 120 minutes.

- ADE state's that it is a matter of what's in Title 15. And in Title 15 there are two areas that are not counted as part of the instructional day: lunch and recess. If we stick to the letter of the law, it's clearly spoken [passing time is included]. Until such time when a formal determination can be made, or if the law is changed to specifically address passing time, ADE will defer any inquiries involving this issue to Title 15 and advise that schools work with their school districts to determine a reasonable amount of passing time that is fair and consistent with their practices. Or, if the committee discusses the matter further with people out in the field and decides they want more guidance from ADE, the issue can be brought back to the meeting.

### **Certificates of Educational Convenience: CEC-A & CEC-B Funding** (Discussed from 2:40-2:50 pm)

Issue: Certificates of Educational Convenience CEC-A & CEC-B Funding. The present formulas used to calculate this funding are extremely complex.

#### Points Addressed/Presented:

- Definition: CEC's are Certificates of Educational Convenience. If a student is placed within a district by an appropriate placing agency such as a court or DES or something along those lines; and this is a student that costs more than the average student does in that district; the district is eligible to receive additional funding from the state or possibly from the district the student was removed from.
- Some entities won't deal with CEC's at all because of the complexity of the paperwork involved. There is a need to review and discuss the current process to make it easier for districts/charters and ADE.
- There are only 12 districts that budgeted for CEC on their adopted budgets for 04-05, but there used to be considerably more. If the process were simplified, it is believed that more entities would budget for CEC's and make use of those monies.
- CEC funding varies from district to district. It could, legitimately, be anywhere from a penny more per student to several hundred or even a thousands dollar more--depending on what a district is spending per student.
- ADE will bring back recommendations to discuss the issue further at the December 2004 meeting.

### **General Discussion/Questions & Answers Period**

Issue: General question and answer period; request for agenda items for the December 2004 meeting.

#### Points Addressed/Recommendations

- Dual enrollment
- 100<sup>th</sup> Day count versus full year funding (180 days);
- Current year versus prior year funding
- AYP, Graduation Rate, Drop in, etc.
- School District Employee Reports (SDER)

### **Call to the Audience**

Extended invitation for audience members to address the committee; no responses received.

### **Closing Remarks**

- Discussed ADE and subcommittee work/research in preparation for the next meeting.
- Next meeting to be held on December 13, 2004 at ADE.
- Thanked members for their attendance and participation.

Meeting adjourned at 3:25 p.m.

### **Addendum (12/16/04)**

The October 2004 meeting minutes were approved by SFAC members on Monday, December 13, 2004.